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SUBJECT: MEDIA REACTION; CHANCES OF A MERCOSUR-ISRAEL FTA; IMF AND
ARGENTINA; US PUBLIC DIPLOMACY; 11/23/07

1. SUMMARY STATEMENT

Today's major international stories cover an alleged initiative from Lula and Cristina Kirchner for Mercosur to sign a trade deal with Israel, in an attempt to keep Venezuelan Hugo Chavez at bay; implications of IMF head Dominique Strauss' trip to Argentina to attend Cristina Kirchner's presidential inauguration; and the work carried out by the US Public Diplomacy and Public Affairs Office all over the world.

2. OPINION PIECES AND EDITORIALS

- "Gestures aimed at keeping Chavez at bay"

Lucas Colonna, political columnist of daily-of-record "La Nacion," writes (11/22) "Argentina wants Venezuela to become a Mercosur member. This has been obvious under the Nestor Kirchner administration and also under the future Cristina Kirchner administration. Argentina also wants to make clear to Hugo Chavez and the world that Caracas will not (as a Mercosur member) condition the region's ties with the international community.

"The clearest signal in this regard might take place in the up-coming days - Argentine diplomats are among the main promoters of an initiative that is clearly aimed at setting limits on the pro-Iran Venezuelan project, and therefore, on Chavez's political ambitions.

"Argentina, supported by Brazil, wants Mercosur to sign a free trade deal with Israel in the framework of the Mercosur summit to be held in Montevideo by mid-December.

"If ongoing negotiations are successful, Cristina Kirchner would lead the initiative... The document, whether with Venezuela in the bloc or not, would be a resounding international wink as well as a brake on the political interests of Chavez (whose ties with Israel are severely damaged).

"The Argentine Government's ties with Caracas could suffer further changes in the event Argentina settles its Paris Club debt.

"... If the Argentine government cancels its debt with the Paris Club, the country will not only open its doors to investment but also access international funding sources...

"Chavez is mainly a source of funds for both Kirchner and his wife. If Argentina does not reach a deal to settle its Paris Club debt, the Bolivarian leader may once again have to meet Argentina's economic needs...

"One of the Argentine President-elect's obsessions is to settle the

country's Paris Club debt in order to change Argentina's perception among the world's major economic hubs...

"... It would be the end of Chavez' economic favors in exchange for political favors, like the time when the Argentine government had to lend the Bolivarian leader a local stadium to host his anti-Bush rallies...

"The new government's bet on foreign policy is focused on Brasilia rather than Caracas, as demonstrated by Cristina Kirchner and most of her Cabinet's recent visit to Brazil."

- "The IMF seeks to renew talks with our country"

Marcelo Bonelli, economic columnist of leading "Clarín," comments (11/23) "Dominique Strauss-Kahn, the brand new IMF director, will make a clear political gesture towards Argentina - yesterday, he confirmed that he will travel to Buenos Aires to attend Cristina Fernandez de Kirchner's presidential inauguration.

"... His mission is unusual - never before has an IMF head attended an Argentine President's inauguration. This political gesture is unusually valuable because it will happen in the aftermath of the stormy relationship between the IMF and Argentina. In this way, Strauss-Kahn wants to send a concrete sign - he is attempting to reopen talks in the relationship between Buenos Aires and Washington.

"Even though the Argentine Government is pleased with Strauss-Kahn's mission, Cristina Fernandez believes that this single gesture is not enough to recompose ties with the IMF. The President-elect also expects Strauss-Kahn to bring a proposal aimed at facilitating the immediate resumption of (Argentina's) Paris Club negotiations.

"(Argentine Economy Minister) Martín Lousteau thinks this international financial agreement is crucial: 'It could be an important sign for industrialized countries.'

"... Lousteau is focused on putting together his team and also making clear that there will be full economic continuity... He considers that the successful economic policy implemented so far has allowed Argentina to minimize the impact of the international financial crisis."

- "Improving the US image in the world, a tough task"

Business-financial "BAE" (11/23) carries an opinion piece by Julio Burdman, professor and head of International Relations at the Belgrano University, who writes "The world has criticized, sometimes in an exasperating way, US policies of recent years. This has become a State issue for the USG. 'Hawks,' who decisively influenced George W. Bush's first term in office, developed the idea that the 'anti-US feeling' in foreign societies and 'civilizations,' was a cultural problem that is out of the political leaders' control. Nonetheless, this argument lost strength during the last two years and another theory emerged that does not fully leave aside the anti-US feeling theory... According to this theory, many citizens in the world who criticize and reject the US are well-intended people who simply do not agree with US foreign and security policies.

"This is the prevailing spirit at the Public Diplomacy and Public Affairs Assistant Secretariat... Improving communication will be crucial in 2008 and Karen Hughes' legacy will be the engine of a national communication strategic plan, the first initiative of the kind in history.

"Among other initiatives, there is the Rapid Response Unit, which monitors all print and audiovisual mass media and Internet publications and daily reports them to the US Department of State; the Counterterrorist Communications Center; and the Office of International Information Programs... Student and university exchange programs and English teaching have remarkably expanded in some regions as well as scientific and cultural cooperation with countries in conflict... Sports are considered one of the friendliest issues in international relations...

"Of all this there will be more - communication unification, design

of 'sensitive' messages targeting specific audiences, multiple programs for student, scientific, sport and cultural exchange... and direct work with TV news networks. And a novelty - they will seek an approach between public and diplomatic officers and experienced journalists. This means, less diplomats who know about communication, and more journalists who know about diplomacy."

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